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Michael N. Milby, Clerk

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

In re ENRON CORPORATION  
SECURITIES LITIGATION

C.A.No. H-01-3624  
AND CONSOLIDATED CASES

This Document Relates To:

MARK NEWBY, et al., Individually and On  
Behalf of All Others Similarly Situated,

Plaintiffs,

v.

ENRON CORP., et al.

Defendants.

THE REGENTS OF THE UNIVERSITY OF  
CALIFORNIA, et al., Individually and On  
Behalf of All Others Similarly Situated,

Plaintiffs,

v.

KENNETH L. LAY, et al.

Defendants.

**JURY TRIAL REQUESTED**

**ARTHUR ANDERSEN LLP'S  
ANSWER TO THE CONSOLIDATED COMPLAINT**

Defendant Arthur Andersen, LLP ("Andersen") respectfully submits this Answer to the Class Action Consolidated Complaint for Violation of the Securities Laws as follows:<sup>1</sup>

Unless otherwise expressly admitted or denied, Andersen lacks knowledge or information sufficient to form a belief as to the truth or falsity of averments as to the conduct of other defendants. Andersen is aware that averments relating to such conduct, and related

<sup>1</sup> The Preamble does not state averments of fact and, as such, no response is required.

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transactions and events involving such third parties, have been the subject of press reports, Congressional hearings and other public statements. Andersen is not in a position, prior to discovery, to admit or deny such averments for purposes of Federal Rule of Civil Procedure 8(b), except to acknowledge the existence of such information.

1. Answering Paragraph 1, Andersen responds that this paragraph does not state an averment of fact and, as such, no response is required. Notwithstanding, to the extent that this paragraph requires a response, Andersen denies the averments therein to the extent they refer or relate to Andersen and otherwise lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

2. Answering Paragraph 2, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

3. Answering Paragraph 3, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

4. Answering Paragraph 4, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.<sup>2</sup>

5. Answering Paragraph 5, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

6. Answering Paragraph 6, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

7. Answering Paragraph 7, the New York Times article cited therein, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to

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<sup>2</sup> Immediately following this paragraph, Plaintiffs have included one of numerous quotations found intermittently throughout the Complaint. Such quotations do not appear to be averments of either fact or law and, as such, Andersen replies that no response is required. Andersen further reiterates this response for any such quotations that either proceed or follow this particular quotation.

the truth of the remaining averments made in this paragraph.

8. Answering Paragraph 8, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

9. Answering Paragraph 9, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

10. Answering Paragraph 10, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

11. Answering Paragraph 11, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

12. Answering Paragraph 12, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

13. Answering Paragraph 13, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

14. Answering Paragraph 14, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

15. Answering Paragraph 15, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

16. Answering Paragraph 16, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

17. Answering Paragraph 17, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen further responds that this paragraph contains statements that do not constitute averments of fact and, as such, no response is required.<sup>3</sup>

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<sup>3</sup> Andersen further incorporates this objection into the numerous paragraphs of this Complaint that contain such hyperbolic statements. To wit, paragraph 18 states that Enron “was a hall

Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

18. Answering Paragraph 18, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

19. Answering Paragraph 19, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

20. Answering Paragraph 20, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

21. Answering Paragraph 21, Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen further responds that the third and fourth sentences of this paragraph state conclusions of law and, as such, no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

22. Answering Paragraph 22, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

23. Answering Paragraph 23, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

24. Answering Paragraph 24, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

25. Answering Paragraph 25, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

26. Answering Paragraph 26, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a

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of mirrors inside a house of cards . . . .” Andersen knows of no appropriate response to such contentions.

belief as to the truth of the remaining averments made in this paragraph.

27. Answering Paragraph 27, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

28. Answering Paragraph 28, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

29. Answering Paragraph 29, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

30. Answering Paragraph 30, Andersen responds that the cited passages from Business Week, Bloomberg and the Washington Post, if accurately cited, speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

31. Answering Paragraph 31, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

32. Answering Paragraph 32, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

33. Answering Paragraph 33, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

34. Answering Paragraph 34, Andersen responds that the averments in this paragraph do not state an averment of fact and as such, no response is required. To the extent a response is required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

35. Answering Paragraph 35, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

36. Answering Paragraph 36, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen further responds that this paragraph contains

conclusions of law which do not require a response. To the extent a response is required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

37. Answering Paragraph 37, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

38. Answering Paragraph 38, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

39. Answering Paragraph 39, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

40. Answering Paragraph 40, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

41. Answering Paragraph 41, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

42. Answering Paragraph 42, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

43. Answering Paragraph 43, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

44. Answering Paragraph 44, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

45. Answering Paragraph 45, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

46. Answering Paragraph 46, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

47. Answering Paragraph 47, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

48. Answering Paragraph 48, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

49. Answering Paragraph 49, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in the chart in this paragraph.

50. Answering Paragraph 50, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

51. Answering Paragraph 51, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

52. Answering Paragraph 52, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

53. Answering Paragraph 53, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

54. Answering Paragraph 54, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

55. Answering Paragraph 55, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

56. Answering Paragraph 56, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

57. Answering Paragraph 57, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

58. Answering Paragraph 58, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

59. Answering Paragraph 59, Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the averments made in this paragraph.

60. Answering Paragraph 60, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

61. Answering Paragraph 61, Andersen admits that on October 16, 2001, Enron issued a press release, which speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

62. Answering Paragraph 62, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

63. Answering Paragraph 63, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

64. Answering Paragraph 64, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

65. Answering Paragraph 65, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

66. Answering Paragraph 66, Andersen admits Enron filed for bankruptcy on or about December 2, 2001. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

67. Answering Paragraph 67, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

68. Answering Paragraph 68, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen admits that Congress launched an investigation relating to Enron. Andersen further responds that Enron's publicly-filed reports speak for themselves. Andersen admits that David Duncan, the partner in charge of the Enron account, and Nancy Temple, an Andersen lawyer, were summoned before Congress and that Duncan invoked his Fifth Amendment right not to testify. Andersen denies, however, that



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Nancy Temple refused to testify before the Congressional subcommittee investigating this matter. Andersen denies any remaining averments in this paragraph relating to Andersen, David Duncan, and Nancy Temple. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

69. Answering Paragraph 69, Andersen responds that the *Newsweek* article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

70. Answering Paragraph 70 and its subparagraphs, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph and its subparagraphs.

71. Answering Paragraph 71, Andersen responds that the New York Times article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

72. Answering Paragraph 72, Andersen responds that the *Dow Jones News Service* article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

73. Answering Paragraph 73, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

74. Answering Paragraph 74, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

75. Answering Paragraph 75, Andersen responds that this paragraph does not state an averment of fact and, as such, no response is required.

76. Answering Paragraph 76, Andersen responds that the question of whether this court has jurisdiction is a legal conclusion to which no response is required.

77. Answering Paragraph 77, Andersen responds that the question of whether venue is appropriate is a legal conclusion to which no response is required. Andersen lacks knowledge

or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

78. Answering Paragraph 78, Andersen responds that this paragraph states conclusions of law to which no response is required.

79. Answering Paragraph 79, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

80. Answering Paragraph 80, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

81. Answering Paragraph 81 and its subparagraphs, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph and its subparagraph.

82. Answering Paragraph 82, Andersen admits that Enron has filed for protection pursuant to Chapter 11 of the U.S. Bankruptcy Code. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

83. Answering Paragraphs 83(a)-(jj), Andersen admits that Kenneth Lay was a director and CEO of Enron at various times; that Jeffrey Skilling was a director and CEO of Enron at various times; that Andrew Fastow was CFO of Enron at various times, and that his employment was terminated in or around October 2001; that James Derrick was Enron's General Counsel at various times; and that the remaining named individuals through sub-paragraph (w) were employees in various capacities for Enron or Enron-related entities. Andersen further admits that the individuals named in sub-paragraph (v)-(ee) were directors of Enron at various times. Andersen admits that J. Clifford Baxter was employed in various capacities, including as vice chairman, by Enron. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph and its subparagraphs.

84. Answering Paragraph 84, the first sentence of this paragraph states a legal conclusion to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

85. Answering Paragraph 85, Andersen lacks knowledge or information sufficient to

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form a belief as to the truth of the averments made in this paragraph.

86. Answering Paragraph 86, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

87. Answering Paragraph 87, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

88. Answering Paragraph 88, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

89. Answering Paragraph 89, Andersen responds that this paragraph does not state an averment of fact and, as such, no response is required. To the extent a response is required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

90. Answering Paragraph 90, Andersen responds that this paragraph does not state an averment of fact, but rather states conclusions of law to which no response is required. To the extent a response is required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

91. Answering Paragraph 91, Andersen asserts that this paragraph does not state an averment of fact and, as such, no response is required. Andersen further responds that the Complaint speaks for itself.

92(a) Answering Paragraph 92(a), Andersen responds that the averments are vague as to “participated in,” and denies those averments on that basis. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

92(b). Answering Paragraph 92(b), Andersen responds that the averments are vague as to “participated in,” and denies those averments on that basis. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

92(c). Answering Paragraph 92(c), Andersen responds that the averments are vague as to “participated in,” and denies those averments on that basis. Andersen lacks knowledge or

information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

92(d). Answering Paragraph 92(d), Andersen responds that the averments are vague as to “participated in,” and denies those averments on that basis. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

92(e). Answering Paragraph 92(e), Andersen responds that the averments are vague as to “participated in,” and denies those averments on that basis. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

92(f). Andersen responds that the averments are vague as to “participated in,” and denies those averments on that basis. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

92(g). Answering Paragraph 92(g), Andersen admits that Andersen is a limited liability partnership formed under the laws of the state of Illinois and that Andersen audited Enron’s financial statements for the years 1997 through 2000. Andersen responds that the averments are vague as to “consulting services,” and denies those averments on that basis. Andersen denies the remaining averments made in this paragraph.

93(a) Answering Paragraph 93(a), Andersen admits that Berardino was the CEO and managing partner of Andersen Worldwide until he tendered his resignation on March 26, 2002. Andersen further admits that Berardino was a partner in Andersen. Andersen further responds that certain averments in this paragraph use terms such as “regular,” “massive,” “legitimate,” “instrumental,” and “inappropriate” that are vague and/or argumentative, and Andersen denies those averments on that basis. Andersen denies the remaining averments to the extent they refer or relate to Andersen or Berardino. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

93(b). Answering Paragraph 93(b), Andersen admits that Bauer was a partner in Andersen; that he was involved in auditing some aspects of Enron’s commodity trading; that he

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was involved in the Audit-Energy Practice in Andersen's Houston office; and that he was placed on administrative leave on or about January 15, 2002. Andersen denies any remaining averments made in this paragraph.

93(c). Answering Paragraph 93(c), Andersen admits that David Duncan was the lead Andersen partner on the Enron engagement; that Duncan was a member of the Strategy Advisory Counsel and the Chairman's Advisory Counsel; that Duncan was a partner in Andersen and that Andersen terminated Duncan's partnership. Andersen denies any remaining averments made in this paragraph.

93(d). Answering Paragraph 93(d), Andersen admits that Cash was a partner in Andersen. Andersen further responds that the term "integral part" is vague and denies the averment on that basis. Andersen denies the remaining averments made in this paragraph.

93(e). Answering Paragraph 93(e), Andersen denies the averments made in this paragraph.

93(f). Answering Paragraph 93(f), Andersen denies the averments made in this paragraph.

93(g). Answering Paragraph 93(g), Andersen admits that Goddard was at certain times the managing partner of Andersen's Houston office and the managing partner of Andersen's Golf Coast Market Circle, and denies the remaining averments made in this paragraph.

93(h). Answering Paragraph 93(h), Andersen admits that Goolsby was at certain times Andersen's partner in charge of Risk Management and was a Practice Director in the Houston office of Andersen. Andersen responds that the term "integral part" is vague and denies the averment on that basis. Andersen denies the remaining averments made in this paragraph.

93(i). Answering Paragraph 93(i), Andersen admits Lowther was concurring partner on the Enron audit engagement from 1997 to 2001; was a partner in Andersen; and was relieved of his management duties on or about January 15, 2002. Andersen responds that the term "integral part" is vague and denies the averment on that basis. Andersen denies any remaining averments made in this paragraph.

93(j). Answering Paragraph 93(j), Andersen responds that the term "integral part" is

vague and denies it on that basis. Andersen denies the remaining averments made in this paragraph.

93(k). Answering Paragraph 93(k), Andersen admits that Odom was a Practice Director for the Gulf Coast Market Circle; that Odom was a partner in Andersen; and that Odom was relieved of his duties as a Practice Director on or about January 15, 2002. Andersen denies the remaining averments made in this paragraph.

93(l). Answering Paragraph 93(l), Andersen responds that the term “integral part” is vague and denies the averment on that basis. Andersen denies the remaining averments made in this paragraph.

93(m). Answering Paragraph 93(m), Andersen responds that the term “integral part” is vague and denies the averment on that basis. Andersen denies the remaining averments made in this paragraph.

93(n). Answering Paragraph 93(n), Andersen admits that Bennett was an Andersen partner in the Houston office. Andersen responds that the term “integral part” is vague and denies the averment on that basis. Andersen denies the remaining averments made in this paragraph.

93(o). Answering Paragraph 93(o), Andersen admits that William Swanson was an Andersen partner. Andersen responds that the term “integral part” is vague and denies the averment on that basis. Andersen denies the remaining averments made in this paragraph.

93(p). Answering Paragraph 93(p), Andersen admits that Roger Willard was an Andersen partner on the Enron engagement and was part of Andersen’s Audit and Business Advisory practice in Houston. Andersen responds that the term “integral part” is vague and denies the averment on that basis. Andersen denies the remaining averments made in this paragraph.

93(q). Answering Paragraph 93(q), Andersen admits that Michael Jones was an Andersen partner. Andersen denies the remaining averments made in this paragraph.

93(r). Answering Paragraph 93(r), Andersen responds that the term “integral part” is vague and denies the averment on that basis. Andersen denies the remaining averments made in

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this paragraph.

93(s). Answering Paragraph 93(s), Andersen responds that the term “integral part” is vague and denies the averment on that basis. Andersen denies the remaining averments made in this paragraph.

93(t). Answering Paragraph 93(t), Andersen responds that the term “integral part” is vague and denies the averments on that basis. Andersen denies the remaining averments made in this paragraph.

93(u). Answering Paragraph 93(u), Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph.

93(v). Answering Paragraph 93(v), Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph.

93(w). Answering Paragraph 93(w), Andersen denies the averments made in this paragraph.

94. Answering Paragraph 94, as to the first sentence, Andersen admits that each defendant identified with the exception of Randall and McAlindon, was a partner or employee of Andersen. Andersen reiterates its responses in 93(a)-(w) as to whether each defendant was “involved in” the Enron engagements, and denies the remaining averments in this paragraph.

95. Answering Paragraph 95, Andersen admits that Nancy Temple was an in-house lawyer for Andersen. Andersen denies the remaining averments made in this paragraph.

96. Answering Paragraph 96, Andersen responds that the averments do not state an averment of fact and, as such, no response is required. To the extent a response is required, Andersen denies the averments made in this paragraph.

97. Answering Paragraph 97, Andersen asserts that this paragraph does not contain an averment of fact and, as such, no response is required. To the extent a response is required, Andersen denies the averments made in this paragraph.

98. Answering Paragraph 98, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

99. Answering Paragraph 99, Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the averments made in this paragraph.

100. Answering Paragraph 100, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

101. Answering Paragraph 101, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

102. Answering Paragraph 102, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

103. Answering Paragraph 103, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

104. Answering Paragraph 104, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

105. Answering Paragraph 105, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

106. Answering Paragraph 106, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

107. Answering Paragraph 107, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

108. Answering Paragraph 108, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

109. Answering Paragraph 109, Andersen responds that the 1997 Form 10-K filed by Enron speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

110. Answering Paragraph 110, Andersen responds that Enron's public filings and statements speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

111. Answering Paragraph 111, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

112. Answering Paragraph 112, Andersen responds that Enron's public filings and



statements speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

113. Answering Paragraph 113, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

114. Answering Paragraph 114, Andersen responds that Enron's public filings and statements speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

115. Answering Paragraph 115, Andersen responds that the Bloomberg News article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

116. Answering Paragraph 116, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

117. Answering Paragraph 117, Andersen responds that the press release, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

118. Answering Paragraph 118, Andersen responds that the earnings announcement, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

119. Answering Paragraph 119, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

120. Answering Paragraph 120, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

121. Answering Paragraph 121, Andersen responds that this paragraph and subparagraphs state conclusions of law to which no response is required. Andersen further relies that it lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph and subparagraphs.

122. Answering Paragraph 122, Andersen responds that the press release, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

123. Answering Paragraph 123, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

124. Answering Paragraph 124, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

125. Answering Paragraph 125, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

126. Answering Paragraph 126, Andersen responds that Enron's public filings speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

127. Answering Paragraph 127, Andersen responds that the Deutsche Bank report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

128. Answering Paragraph 128, Andersen responds that the earnings announcement, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

129. Answering Paragraph 129, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

130. Answering Paragraph 130, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

131. Answering Paragraph 131, Andersen responds that the Deutsche Bank report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

132. Answering Paragraph 132, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

133. Answering Paragraph 133, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

134. Answering Paragraph 134, Andersen responds that Enron's registration statement speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

135. Answering Paragraph 135, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

136. Answering Paragraph 136, Andersen responds that the 1998 Annual Report, if accurately cited, speaks for itself. Andersen denies the remaining averments to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

137. Answering Paragraph 137, Andersen responds that the 1998 Annual Report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

138. Answering Paragraph 138, Andersen responds that the 1998 Annual Report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

139. Answering Paragraph 139, Andersen responds that the 1998 Annual Report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

140. Answering Paragraph 140, Andersen responds that Enron's public filings speak for themselves. Andersen denies any remaining averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

141. Answering Paragraph 141, Andersen responds that Enron's public filings speak for themselves. Andersen denies any remaining averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

142. Answering Paragraph 142, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

143. Answering Paragraph 143, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

144. Answering Paragraph 144, Andersen responds that the Enron earnings report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

145. Answering Paragraph 145, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

146. Answering Paragraph 146, Andersen responds that the Deutsche Bank report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

147. Answering Paragraph 147, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

148. Answering Paragraph 148, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

149. Answering Paragraph 149, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

150. Answering Paragraph 150, Andersen responds that the Lehman Brothers report, if

accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

151. Answering Paragraph 151, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

152. Answering Paragraph 152, Andersen responds that the Deutsche Bank report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

153. Answering Paragraph 153, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

154. Answering Paragraph 154, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

155. Answering Paragraph 155, Andersen responds that this paragraph and subparagraphs state conclusions of law to which no response is required. Andersen further responds that Enron's public filings speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph and subparagraphs.

156. Answering Paragraph 156, Andersen responds that the Enron earnings announcement, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

157. Answering Paragraph 157, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

158. Answering Paragraph 158, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

159. Answering Paragraph 159, Andersen responds that the Deutsche Bank report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a

belief as to the truth of the remaining averments made in this paragraph.

160. Answering Paragraph 160, Andersen responds that the Houston Chronicle article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

161. Answering Paragraph 161, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

162. Answering Paragraph 162, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

163. Answering Paragraph 163, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

164. Answering Paragraph 164, Andersen responds that the Form S-3 speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

165. Answering Paragraph 165, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

166. Answering Paragraph 166, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

167. Answering Paragraph 167, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

168. Answering Paragraph 168, Andersen responds that the Dow Jones Energy Service article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

169. Answering Paragraph 169, Andersen responds that the Citigroup report, if

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accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

170. Answering Paragraph 170, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

171. Answering Paragraph 171, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

172. Answering Paragraph 172, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

173. Answering Paragraph 173, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

174. Answering Paragraph 174, Andersen responds that the Bloomberg News report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

175. Answering Paragraph 175, Andersen responds that the CFO Magazine article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

176. Answering Paragraph 176, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

177. Answering Paragraph 177, Andersen responds that the Enron earnings report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

178. Answering Paragraph 178, Andersen responds that the Bloomberg News article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a

belief as to the truth of the averments made in this paragraph.

179. Answering Paragraph 179, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

180. Answering Paragraph 180, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

181. Answering Paragraph 181, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

182. Answering Paragraph 182, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

183. Answering Paragraph 183, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

184. Answering Paragraph 184, Andersen responds that the Deutsche Bank report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

185. Answering Paragraph 185, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

186. Answering Paragraph 186, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

187. Answering Paragraph 187, Andersen responds that the citation from the Dow Jones Energy Service article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.



188. Answering Paragraph 188, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

189. Answering Paragraph 189, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

190. Answering Paragraph 190, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

191. Answering Paragraph 191, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

192. Answering Paragraph 192, Andersen responds that the Enron press release, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

193. Answering Paragraph 193, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

194. Answering Paragraph 194, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

195. Answering Paragraph 195, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

196. Answering Paragraph 196, Andersen responds that the Enron earnings announcement, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

197. Answering Paragraph 197, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

198. Answering Paragraph 198, Andersen responds that the CSFB report, if accurately

cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

199. Answering Paragraph 199, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

200. Answering Paragraph 200, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

201. Answering Paragraph 201, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

202. Answering Paragraph 202, Andersen responds that the Wall Street Journal article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

203. Answering Paragraph 203, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

204. Answering Paragraph 204, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

205. Answering Paragraph 205, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

206. Answering Paragraph 206, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

207. Answering Paragraph 207, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to

the truth of the remaining averments made in this paragraph.

208. Answering Paragraph 208, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

209. Answering Paragraph 209, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

210. Answering Paragraph 210, Andersen responds that the Deutsche Bank report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

211. Answering Paragraph 211, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

212. Answering Paragraph 212, Andersen responds that the Bloomberg News article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

213. Answering Paragraph 213, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

214. Answering Paragraph 214, Andersen responds that this paragraph and subparagraphs state conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph and subparagraphs.

215. Answering Paragraph 215, Andersen responds that the Shareholder Report, if accurately cited, speaks for itself. Andersen denies the remaining averments to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

216. Answering Paragraph 216, Andersen responds that the 1999 Annual Report, if

accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

217. Answering Paragraph 217, Andersen responds that the 1999 Annual Report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

218. Answering Paragraph 218, Andersen responds that the 1999 Annual Report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

219. Answering Paragraph 219, Andersen responds that Enron's 1999 financial statements speaks for itself. Andersen denies the remaining averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

220. Answering Paragraph 220, Andersen responds that the 1999 Annual Report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

221. Answering Paragraph 221, Andersen responds that Enron's 1998 and 1999 financial statements and 1999 Annual Report speak for themselves. Andersen denies any remaining averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

222. Answering Paragraph 222, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

223. Answering Paragraph 223, Andersen responds that the Enron earnings announcement, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

224. Answering Paragraph 224, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

225. Answering Paragraph 225, Andersen responds that the Bloomberg News article, if

accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

226. Answering Paragraph 226, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

227. Answering Paragraph 227, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

228. Answering Paragraph 228, Andersen responds that the Houston Chronicle article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

229. Answering Paragraph 229, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

230. Answering Paragraph 230, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

231. Answering Paragraph 231, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

232. Answering Paragraph 232, Andersen responds that the Deutsche Bank report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

233. Answering Paragraph 233, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

234. Answering Paragraph 234, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a

belief as to the truth of the remaining averments made in this paragraph.

235. Answering Paragraph 235, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

236. Answering Paragraph 236, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

237. Answering Paragraph 237, Andersen responds that the Deutsche Bank report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

238. Answering Paragraph 238, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

239. Answering Paragraph 239, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

240. Answering Paragraph 240, Andersen responds that the Enron press release, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

241. Answering Paragraph 241, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

242. Answering Paragraph 242, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

243. Answering Paragraph 243, Andersen responds that the Deutsche Bank report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

244. Answering Paragraph 244, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

245. Answering Paragraph 245, Andersen responds that the Los Angeles Times article,

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if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

246. Answering Paragraph 246, Andersen responds that the Enron earnings announcement, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

247. Answering Paragraph 247, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

248. Answering Paragraph 248, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

249. Answering Paragraph 249, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

250. Answering Paragraph 250, Andersen responds that the Merrill Lynch reports, if accurately cited, speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

251. Answering Paragraph 251, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

252. Answering Paragraph 252, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

253. Answering Paragraph 253, Andersen responds that the Deutsche Bank report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

254. Answering Paragraph 254, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

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255. Answering Paragraph 255, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

256. Answering Paragraph 256, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

257. Answering Paragraph 257, Andersen responds that the Deutsche Bank report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

258. Answering Paragraph 258, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

259. Answering Paragraph 259, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

260. Answering Paragraph 260, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

261. Answering Paragraph 261, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

262. Answering Paragraph 262, Andersen responds that the Enron earnings report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

263. Answering Paragraph 263, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

264. Answering Paragraph 264, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

265. Answering Paragraph 265, Andersen responds that the Bank of America report, if



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accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

266. Answering Paragraph 266, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

267. Answering Paragraph 267, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

268. Answering Paragraph 268, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

269. Answering Paragraph 269, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

270. Answering Paragraph 270, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

271. Answering Paragraph 271, Andersen denies the averments therein, to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

272. Answering Paragraph 272, Andersen responds that the Enron press release, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

273. Answering Paragraph 273, Andersen responds that the Bloomberg News article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

274. Answering Paragraph 274, Andersen responds that the CNBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to

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the truth of the remaining averments made in this paragraph.

275. Answering Paragraph 275, Andersen admits that Skilling was named Enron's CEO to succeed Lay. Andersen lacks knowledge or information sufficient to form belief as to the truth of the remaining averments made in this paragraph.

276. Answering Paragraph 276, Andersen responds that the Enron press release, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

277. Answering Paragraph 277, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

278. Answering Paragraph 278, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

279. Answering Paragraph 279, Andersen responds that the Dow Jones Energy Service article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

280. Answering Paragraph 280, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

281. Answering Paragraph 281, Andersen responds that the Enron press release, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

282. Answering Paragraph 282, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

283. Answering Paragraph 283, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

284. Answering Paragraph 284, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

285. Answering Paragraph 285, Andersen responds that the CSFB report, if accurately

cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

286. Answering Paragraph 286, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

287. Answering Paragraph 287, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

288. Answering Paragraph 288, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

289. Answering Paragraph 289, Andersen responds that the Fortune Magazine article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

290. Answering Paragraph 290, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

291. Answering Paragraph 291, Andersen responds that the Enron announcement, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

292. Answering Paragraph 292, Andersen responds that the 1999 and 2000 financial statements and the 2000 Form 10-K Report speak for themselves. Andersen denies the remaining averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

293. Answering Paragraph 293, Andersen reports that Enron's Annual Report to Shareholders speaks for itself. Andersen denies the remaining averments to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

294. Answering Paragraph 294, Andersen responds that Enron's 2000 Annual Report,

if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

295. Answering Paragraph 295, Andersen responds that Enron's 2000 financial statements speak for themselves. Andersen denies the remaining averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

296. Answering Paragraph 296, Andersen responds that Enron's 2000 Annual Report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

297. Answering Paragraph 297, Andersen responds that Enron's 2000 Annual Report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

298. Answering Paragraph 298, Andersen responds that Enron's 2000 financial statements, if accurately cited, speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

299. Answering Paragraph 299, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

300. Answering Paragraph 300 and its subparagraphs, Andersen responds that they state conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph and its subparagraphs.

301. Answering Paragraph 301, Andersen responds that the Bloomberg News article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

302. Answering Paragraph 302, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

303. Answering Paragraph 303, Andersen responds that the Lehman Brothers report, if

accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

304. Answering Paragraph 304, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

305. Answering Paragraph 305, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

306. Answering Paragraph 306, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

307. Answering Paragraph 307, Andersen responds that the Bloomberg News article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

308. Answering Paragraph 308, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

309. Answering Paragraph 309, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

310. Answering Paragraph 310, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

311. Answering Paragraph 311, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

312. Answering Paragraph 312, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

313. Answering Paragraph 313, Andersen denies the averments therein to the extent

they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

314. Answering Paragraph 314, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

315. Answering Paragraph 315, Andersen responds that the Enron press release, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

316. Answering Paragraph 316, Andersen responds that the Enron earnings announcement, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

317. Answering Paragraph 317, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

318. Answering Paragraph 318, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

319. Answering Paragraph 319, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

320. Answering Paragraph 320, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

321. Answering Paragraph 321, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

322. Answering Paragraph 322, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

323. Answering Paragraph 323, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to

the truth of the remaining averments made in this paragraph.

324. Answering Paragraph 324, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

325. Answering Paragraph 325, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

326. Answering Paragraph 326, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

327. Answering Paragraph 327, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

328. Answering Paragraph 328, Andersen responds that the Enron earnings report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

329. Answering Paragraph 329, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

330. Answering Paragraph 330, Andersen responds that the Bloomberg News article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

331. Answering Paragraph 331, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

332. Answering Paragraph 332, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

333. Answering Paragraph 333, Andersen responds that the J.P. Morgan e-mail, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

334. Answering Paragraph 334, Andersen responds that the Citigroup report, if

accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

335. Answering Paragraph 335, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

336. Answering Paragraph 336, Andersen responds that the Form S-3 speaks for itself. Andersen further responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

337. Answering Paragraph 337, Andersen responds that the Bloomberg News article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

338. Answering Paragraph 338, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

339. Answering Paragraph 339 and its subparagraphs, the paragraph and its subparagraphs state conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph and its subparagraph.

340. Answering Paragraph 340, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

341. Answering Paragraph 341, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

342. Answering Paragraph 342, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

343. Answering Paragraph 343, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.



344. Answering Paragraph 344, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

345. Answering Paragraph 345, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

346. Answering Paragraph 346, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

347. Answering Paragraph 347, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

348. Answering Paragraph 348, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

349. Answering Paragraph 349, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

350. Answering Paragraph 350, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

351. Answering Paragraph 351, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

352. Answering Paragraph 352, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

353. Answering Paragraph 353, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

354. Answering Paragraph 354, Andersen responds that the CSFB report, if accurately

cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

355. Answering Paragraph 355, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

356. Answering Paragraph 356, Andersen responds that the Bloomberg News article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

357. Answering Paragraph 357, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

358. Answering Paragraph 358, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

359. Answering Paragraph 359, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

360. Answering Paragraph 360, Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

361. Answering Paragraph 361, Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

362. Answering Paragraph 362, Andersen responds that the Merrill Lynch report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

363. Answering Paragraph 363, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

364. Answering Paragraph 364, Enron's press release, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the

remaining averments made in this paragraph.

365. Answering Paragraph 365, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

366. Answering Paragraph 366, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

367. Answering Paragraph 367, Andersen responds that the Bloomberg News article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

368. Answering Paragraph 368, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

369. Answering Paragraph 369, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

370. Answering Paragraph 370, Andersen responds that the Citigroup report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

371. Answering Paragraph 371, Andersen responds that the Bank of America report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

372. Answering Paragraph 372, Andersen responds that the CIBC report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

373. Answering Paragraph 373, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

374. Answering Paragraph 374, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

375. Answering Paragraph 375, Andersen responds that the Citigroup report, if

accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

376. Answering Paragraph 376, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

377. Answering Paragraph 377, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

378. Answering Paragraph 378, Andersen responds that the CSFB report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

379. Answering Paragraph 379, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

380. Answering Paragraph 380, Andersen responds that the J.P. Morgan report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

381. Answering Paragraph 381, Andersen responds that the Lehman Brothers report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

382. Answering Paragraph 382, Andersen responds that the Enron press release, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

383. Answering Paragraph 383, Andersen responds that the Enron press release, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

384. Answering Paragraph 384, Andersen admits that on November 8, 2001, Enron filed a Form 8-K which speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the remaining averments made in this paragraph.

385. Answering Paragraph 385, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

386. Answering Paragraph 386, Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

387. Answering Paragraph 387, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

388. Answering Paragraph 388, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

389. Answering Paragraph 389, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

390. Answering Paragraph 390, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

391. Answering Paragraph 391, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

392. Answering Paragraph 392, Andersen incorporates its response to Paragraph 68.

393. Answering Paragraph 393, Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

394. Answering Paragraph 394, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

395. Answering Paragraph 395, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

396. Answering Paragraph 396, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

397. Answering Paragraph 397, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

398. Answering Paragraph 398, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

399. Answering Paragraph 399, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

400. Answering Paragraph 400, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

401. Answering Paragraph 401, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

402. Answering Paragraph 402, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

403. Answering Paragraph 403, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

404. Answering Paragraph 404, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

405. Answering Paragraph 405, Andersen responds that this paragraph states conclusions of law to which no response is required. To the extent a reply is necessary, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

406. Answering Paragraph 406, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

407. Answering Paragraph 407, Andersen responds that this paragraph contains argument and speculation as to which no response is required. To the extent a response is required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

408. Answering Paragraph 408, Andersen responds that this paragraph contains argument and speculation as to which no response is required. To the extent a response is

required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

409. Answering Paragraph 409, Andersen responds that this paragraph contains argument and speculation as to which no response is required. To the extent a response is required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

410. Answering Paragraph 410, Andersen responds that this paragraph contains argument and speculation as to which no response is required. To the extent a response is required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

411. Answering Paragraph 411, Andersen responds that this paragraph contains argument and speculation as to which no response is required. To the extent a response is required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

412. Answering Paragraph 412, Andersen responds that this paragraph contains argument and speculation as to which no response is required. To the extent a response is required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

413. Answering Paragraph 413, Andersen responds that this paragraph contains argument and speculation as to which no response is required. To the extent a response is required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

414. Answering Paragraph 414, Andersen responds that this paragraph contains argument and speculation as to which no response is required. To the extent a response is required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

415. Answering Paragraph 415, Andersen responds that this paragraph contains argument and speculation as to which no response is required. To the extent a response is

required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

416. Answering Paragraph 416, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph or in Exhibit C.

417. Answering Paragraph 417, Andersen responds that this paragraph makes no averments of fact and, as such, no response is required. To the extent the paragraph does state averments of fact, Andersen denies such averments to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

418. Answering Paragraph 418 and its subparagraphs, Andersen denies the averments in this paragraph and its subparagraphs to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph and its subparagraphs.

419. Answering Paragraph 419, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

420. Answering Paragraph 420, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

421. Answering Paragraph 421, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

422. Answering Paragraph 422, Andersen responds that the citation from “Accounting Malpractice.com,” if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

423. Answering Paragraph 423, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

424. Answering Paragraph 424, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

425. Answering Paragraph 425, Andersen responds that Enron’s press releases and



SEC filings speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

426. Answering Paragraph 426, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

427. Answering Paragraph 427, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that General Accepted Accounting Principles and Regulation S-X speak for themselves.

428. Answering Paragraph 428, Andersen responds that this paragraph states conclusions of law to which no response is required. To the extent a response is necessary, Andersen responds that §13(b)(2) of the 1934 Act speaks for itself.

429. Answering Paragraph 429, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

430. Answering Paragraph 430, Andersen responds that this paragraph states conclusions of law to which no response is required, and further that Accounting Research Bulletin No. 51, ¶ 1 speaks for itself.

431. Answering Paragraph 431, Andersen responds that this paragraph states conclusions of law to which no response is required and further that FASB No. 94 speaks for itself.

432. Answering Paragraph 432, Andersen responds that this paragraph states conclusions of law to which no response is required, and further that SFAS No. 125 speaks for itself.

433. Answering Paragraph 433, Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen further responds that the various references to rules of GAAP state conclusions of law to which no response is required. Andersen further responds that SFAS No. 125, EITF and No. 90-15 speak for themselves.<sup>4</sup> Andersen lacks

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<sup>4</sup> The complaint cites EITF Issue No. 90-15 and EITF Topic No. D-19 in a footnote. Andersen responds that those documents speak for themselves.

knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

434. Answering Paragraph 434, Andersen responds that the Wall Street Journal article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

435. Answering Paragraph 435, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

436. Answering Paragraph 436, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

437. Answering Paragraph 437, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

438. Answering Paragraph 438, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

439. Answering Paragraph 439, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

440. Answering Paragraph 440, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph, including the diagram.

441. Answering Paragraph 441, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

442. Answering Paragraph 442, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

443. Answering Paragraph 443, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

444. Answering Paragraph 444, Andersen responds that this paragraph states

conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

445. Answering Paragraph 445, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that Accounting Principles Board No. 9 speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

446. Answering Paragraph 446, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

447. Answering Paragraph 447, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

448. Answering Paragraph 448, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

449. Answering Paragraph 449, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

450. Answering Paragraph 450, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

451. Answering Paragraph 451, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

452. Answering Paragraph 452, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph.

453. Answering Paragraph 453, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph.

454. Answering Paragraph 454, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

455. Answering Paragraph 455, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

456. Answering Paragraph 456, Andersen responds further that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

457. Answering Paragraph 457, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

458. Answering Paragraph 458, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

459. Answering Paragraph 459, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

460. Answering Paragraph 460, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

461. Answering Paragraph 461, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

462. Answering Paragraph 462, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

463. Answering Paragraph 463, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

464. Answering Paragraph 464, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

465. Answering Paragraph 465, Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

466. Answering Paragraph 466, Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the averments made in this paragraph.

467. Answering Paragraph 467, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

468. Answering Paragraph 468, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

469. Answering Paragraph 469, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

470. Answering Paragraph 470, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

471. Answering Paragraph 471, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

472. Answering Paragraph 472, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

473. Answering Paragraph 473, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

474. Answering Paragraph 474, Andersen responds that LJM2 approval sheet, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

475. Answering Paragraph 475, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

476. Answering Paragraph 476, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

477. Answering Paragraph 477, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

478. Answering Paragraph 478, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information

sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

479. Answering Paragraph 479, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

480. Answering Paragraph 480, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

481. Answering Paragraph 481, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

482. Answering Paragraph 482, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

483. Answering Paragraph 483, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

484. Answering Paragraph 484, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

485. Answering Paragraph 485, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

486. Answering Paragraph 486, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

487. Answering Paragraph 487, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

488. Answering Paragraph 488, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

489. Answering Paragraph 489, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

490. Answering Paragraph 490, Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the remaining averments made in this paragraph.

491. Answering Paragraph 491, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

492. Answering Paragraph 492, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

493. Answering Paragraph 493, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen responds that EITF No. 85-1, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

494. Answering Paragraph 494, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

495. Answering Paragraph 495, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

496. Answering Paragraph 496 and its subparagraphs, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph and its subparagraphs.

497. Answering Paragraph 497, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

498. Answering Paragraph 498, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

499. Answering Paragraph 499, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

500. Answering Paragraph 500, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

501. Answering Paragraph 501, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that SFAS No. 125, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

502. Answering Paragraph 502, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that SFAS No. 125, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

503. Answering Paragraph 503, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that SFAS No. 125 and the referenced Osprey Offering document, if accurately cited, speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

504. Answering Paragraph 504, Andersen responds that this paragraph makes conclusions of law to which no response is required. Andersen further responds that SFAS No. 125 and the referenced Osprey Offering document, if accurately cited, speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

505. Answering Paragraph 505, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

506. Answering Paragraph 506, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

507. Answering Paragraph 507, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that SFAS No.



57, if accurately cited, speaks for itself.

508. Answering Paragraph 508, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that Item 404 of SEC Regulation S-K speaks for itself.

509. Answering Paragraph 509, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that SFAC 2, if accurately cited, speaks for itself.

510. Answering Paragraph 510, Andersen responds that Enron's Form 10-Ks as cited in this paragraph speak for themselves. Andersen further responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

511. Answering Paragraph 511, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen denies the averments to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

512. Answering Paragraph 512, Andersen responds that Enron's proxy statements in 2000 and 2001 speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

513. Answering Paragraph 513, Andersen responds that the 2000 proxy statement and other SEC filings cited in this paragraph speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

514. Answering Paragraph 514, Andersen responds that Enron's Second Quarter 2000 10-Q, and financial statement disclosures thereafter speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

515. Answering Paragraph 515, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen responds that the SEC filings

cited therein speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

516. Answering Paragraph 516, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

517. Answering Paragraph 517, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that SEC Staff Accounting Bulletin No. 99 speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

518. Answering Paragraph 518, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

519. Answering Paragraph 519, Andersen responds that the “Accounting Malpractice.com” statements, if accurately cited, speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

520. Answering Paragraph 520, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

521. Answering Paragraph 521, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

522. Answering Paragraph 522, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

523. Answering Paragraph 523, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

524. Answering Paragraph 524, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

525. Answering Paragraph 525, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

526. Answering Paragraph 526, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments in this paragraph.

527. Answering Paragraph 527, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

528. Answering Paragraph 528, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

529. Answering Paragraph 529, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

530. Answering Paragraph 530, Andersen responds that the New York Times article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

531. Answering Paragraph 531, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

532. Answering Paragraph 532, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

533. Answering Paragraph 533, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

534. Answering Paragraph 534, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that EITF No. 98-10 speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

535. Answering Paragraph 535, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information

sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

536. Answering Paragraph 536, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

537. Answering Paragraph 537, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

538. Answering Paragraph 538, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

539. Answering Paragraph 539, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

540. Answering Paragraph 540, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

541. Answering Paragraph 541, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

542. Answering Paragraph 542, Andersen responds that the Washington Post article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

543. Answering Paragraph 543, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

544. Answering Paragraph 544, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

545. Answering Paragraph 545, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

546. Answering Paragraph 546, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

547. Answering Paragraph 547, Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the averments made in this paragraph.

548. Answering Paragraph 548, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

549. Answering Paragraph 549, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

550. Answering Paragraph 550, Andersen responds that the Fortune article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

551. Answering Paragraph 551, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

552. Answering Paragraph 552, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen responds further that SFAS No. 115, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

553. Answering Paragraph 553, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen responds further that SFAS No. 115, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

554. Answering Paragraph 554, Andersen responds that the referenced internal report, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

555. Answering Paragraph 555, Andersen responds that the averments with respect to GAAP rules state conclusions of law and, as such, no response is required. Andersen further responds that SFAS No. 115, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

556. Answering Paragraph 556, Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the averments made in this paragraph.

557. Answering Paragraph 557, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

558. Answering Paragraph 558, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

559. Answering Paragraph 559, Andersen responds that the Houston Chronicle article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

560. Answering Paragraph 560, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

561. Answering Paragraph 561, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

562. Answering Paragraph 562, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

563. Answering Paragraph 563, Andersen responds that the Court's ruling speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

564. Answering Paragraph 564, Andersen responds that the New York Times article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

565. Answering Paragraph 565, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

566. Answering Paragraph 566, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

567. Answering Paragraph 567, Andersen responds that the New York Times article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

568. Answering Paragraph 568, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

569. Answering Paragraph 569, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

570. Answering Paragraph 570, Andersen responds that the New York Times article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

571. Answering Paragraph 571, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

572. Answering Paragraph 572, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

573. Answering Paragraph 573, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

574. Answering Paragraph 574, Andersen responds that this paragraph states conclusions of law to which no response is required. To the extent a response is required, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

575. Answering Paragraph 575, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

576. Answering Paragraph 576, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

577. Answering Paragraph 577, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

578. Answering Paragraph 578, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that ARB No.

45 speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

579. Answering Paragraph 579, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

580. Answering Paragraph 580, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

581. Answering Paragraph 581, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

582. Answering Paragraph 582, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

583. Answering Paragraph 583, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

584. Answering Paragraph 584, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that SFAS No. 121 speaks for itself.

585. Answering Paragraph 585, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that SFAS No. 115 speaks for itself.

586. Answering Paragraph 586, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that it lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

587. Answering Paragraph 587, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

588. Answering Paragraph 588, Andersen responds that the Enron earnings release, if accurately cited, speaks for itself. Andersen further responds that it lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this



paragraph.

589. Answering Paragraph 589, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

590. Answering Paragraph 590, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

591. Answering Paragraph 591, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

592. Answering Paragraph 592, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

593. Answering Paragraph 593, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

594. Answering Paragraph 594, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

595. Answering Paragraph 595, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

596. Answering Paragraph 596, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

597. Answering Paragraph 597, Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

598. Answering Paragraph 598, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

599. Answering Paragraph 599, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

600. Answering Paragraph 600, Andersen responds that the Wall Street Journal article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

601. Answering Paragraph 601, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

602. Answering Paragraph 602, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

603. Answering Paragraph 603, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

604. Answering Paragraph 604, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

605. Answering Paragraph 605, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

606. Answering Paragraph 606, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

607. Answering Paragraph 607, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

608. Answering Paragraph 608, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

609. Answering Paragraph 609, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

610. Answering Paragraph 610 and subparagraphs, Andersen responds that this paragraph and subparagraphs state conclusions of law to which no response is required, and that the accounting literature cited therein speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

611. Answering Paragraph 611, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

612. Answering Paragraph 612, Andersen responds that the specific registration statements cited speak for themselves. Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the remaining averments made in this paragraph.

613. Answering Paragraph 613, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that it contains no new averments of fact and merely recites contentions noted in ¶¶418-611, and, as such, Andersen incorporates by reference its responses to those paragraphs herein. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

614. Answering Paragraph 614, Andersen responds that the December 31, 1997 Registration Statement speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

615. Answering Paragraph 615, Andersen responds that the registration statements and SEC filings speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

616. Answering Paragraph 616, Andersen denies the averments to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

617. Answering Paragraph 617, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

618. Answering Paragraph 618, Andersen responds that the June 6, 2001 Registration Statement for Enron's zero coupon convertible notes speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

619. Answering Paragraph 619, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

620. Answering Paragraph 620, Andersen responds that the Offering Documents speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

621. Answering Paragraph 621, Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the averments made in this paragraph.

622. Answering Paragraph 622, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

623. Answering Paragraph 623, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

624. Answering Paragraph 624, Andersen responds that the Offering Documents speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

625. Answering Paragraph 625, Andersen responds that the Offering Documents speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

626. Answering Paragraph 626, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

627. Answering Paragraph 627, Andersen responds that the Offering Documents speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

628. Answering Paragraph 628, Andersen responds that the Offering Documents speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

629. Answering Paragraph 629, Andersen responds that the Offering Documents speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

630. Answering Paragraph 630, Andersen denies the averments made therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

631. Answering Paragraph 631, Andersen responds that Enron's 1999 10-K speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

632. Answering Paragraph 632, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

633. Answering Paragraph 633, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

634. Answering Paragraph 634, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

635. Answering Paragraph 635, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

636. Answering Paragraph 636, Andersen responds that Enron's 2000 10-K speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

637. Answering Paragraph 637, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

638. Answering Paragraph 638, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

639. Answering Paragraph 639, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

640. Answering Paragraph 640, Andersen responds that Enron's SEC filings and Offering Documents cited therein speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

641. Answering Paragraph 641, Andersen responds that Enron's Form 10-Ks cited therein speak for themselves. Andersen further responds that to the extent that this paragraph merely recites and references contentions noted in ¶¶ 418-611, Andersen incorporates by reference its responses to those paragraphs. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

642. Answering Paragraph 642, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that the case law

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citations referenced therein speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

643. Answering Paragraph 643, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen responds that the Business Week article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

644. Answering Paragraph 644, Andersen responds that the Miami Herald article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

645. Answering Paragraph 645, Andersen responds that the Dow Jones News Service article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

646. Answering Paragraph 646, Andersen responds that the averments of this paragraph have been made numerous times in various locations throughout this complaint and, as such, Andersen incorporates its previous responses to such contentions herein. Andersen further responds that the various documents cited therein, including the LJM2 Offering Memorandum, if accurately cited, speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

647. Answering Paragraph 647, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

648. Answering Paragraph 648, Andersen responds that the Business Week, Washington Post, and New York Times articles, if accurately cited, speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

649. Answering Paragraph 649, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

650. Answering Paragraph 650, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information

sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

651. Answering Paragraph 651, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

652. Answering Paragraph 652, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

653. Answering Paragraph 653, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

654. Answering Paragraph 654, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

655. Answering Paragraph 655, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

656. Answering Paragraph 656, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

657. Answering Paragraph 657, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

658. Answering Paragraph 658, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

659. Answering Paragraph 659, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

660. Answering Paragraph 660, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

661. Answering Paragraph 661, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

662. Answering Paragraph 662, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

663. Answering Paragraph 663, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

664. Answering Paragraph 664, Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the averments made in this paragraph.

665. Answering Paragraph 665, Andersen responds that the court opinion, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

666. Answering Paragraph 666, Andersen responds that the Dow Jones article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

667. Answering Paragraph 667, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

668. Answering Paragraph 668, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

669. Answering Paragraph 669, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

670. Answering Paragraph 670, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

671. Answering Paragraph 671, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

672. Answering Paragraph 672, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

673. Answering Paragraph 673, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

674. Answering Paragraph 674, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

675. Answering Paragraph 675, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

676. Answering Paragraph 676, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.



677. Answering Paragraph 677, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

678. Answering Paragraph 678, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

679. Answering Paragraph 679, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

680. Answering Paragraph 680, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

681. Answering Paragraph 681, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

682. Answering Paragraph 682, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

683. Answering Paragraph 683, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

684. Answering Paragraph 684, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

685. Answering Paragraph 685, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

686. Answering Paragraph 686, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

687. Answering Paragraph 687, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

688. Answering Paragraph 688, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

689. Answering Paragraph 689, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

690. Answering Paragraph 690, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

691. Answering Paragraph 691, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

692. Answering Paragraph 692, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

693. Answering Paragraph 693, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

694. Answering Paragraph 694, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

695. Answering Paragraph 695, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

696. Answering Paragraph 696, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

697. Answering Paragraph 697, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

698. Answering Paragraph 698, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

699. Answering Paragraph 699, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

700. Answering Paragraph 700, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

701. Answering Paragraph 701, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

702. Answering Paragraph 702, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

703. Answering Paragraph 703, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

704. Answering Paragraph 704, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

705. Answering Paragraph 705, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

706. Answering Paragraph 706, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

707. Answering Paragraph 707, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

708. Answering Paragraph 708, Andersen denies the averments therein that refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

709. Answering Paragraph 709, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

710. Answering Paragraph 710, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

711. Answering Paragraph 711, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

712. Answering Paragraph 712, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

713. Answering Paragraph 713, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

714. Answering Paragraph 714, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

715. Answering Paragraph 715, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

716. Answering Paragraph 716, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

717. Answering Paragraph 717, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

718. Answering Paragraph 718, Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the averments made in this paragraph.

719. Answering Paragraph 719, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

720. Answering Paragraph 720, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

721. Answering Paragraph 721, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

722. Answering Paragraph 722, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

723. Answering Paragraph 723, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

724. Answering Paragraph 724, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

725. Answering Paragraph 725, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

726. Answering Paragraph 726, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

727. Answering Paragraph 727, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

728. Answering Paragraph 728, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

729. Answering Paragraph 729, Andersen responds that the Wall Street Journal article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

730. Answering Paragraph 730, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

731. Answering Paragraph 731, Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the remaining averments made in this paragraph.

732. Answering Paragraph 732, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

733. Answering Paragraph 733, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

734. Answering Paragraph 734, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

735. Answering Paragraph 735, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

736. Answering Paragraph 736, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

737. Answering Paragraph 737, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

738. Answering Paragraph 738, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

739. Answering Paragraph 739, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

740. Answering Paragraph 740, Andersen responds that the Private Placement Memorandum speaks for itself. Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

741. Answering Paragraph 741, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

742. Answering Paragraph 742, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

743. Answering Paragraph 743, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

744. Answering Paragraph 744, Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the averments made in this paragraph.

745. Answering Paragraph 745, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

746. Answering Paragraph 746, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

747. Answering Paragraph 747, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

748. Answering Paragraph 748, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

749. Answering Paragraph 749, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

750. Answering Paragraph 750, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

751. Answering Paragraph 751, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

752. Answering Paragraph 752, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

753. Answering Paragraph 753, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

754. Answering Paragraph 754, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

755. Answering Paragraph 755, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

756. Answering Paragraph 756, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

757. Answering Paragraph 757, Andersen denies the averments therein that refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

758. Answering Paragraph 758, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

759. Answering Paragraph 759, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

760. Answering Paragraph 760, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

761. Answering Paragraph 761, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

762. Answering Paragraph 762, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

763. Answering Paragraph 763, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

764. Answering Paragraph 764, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

765. Answering Paragraph 765, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

766. Answering Paragraph 766, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

767. Answering Paragraph 767, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

768. Answering Paragraph 768, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

769. Answering Paragraph 769, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

770. Answering Paragraph 770, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

771. Answering Paragraph 771, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

772. Answering Paragraph 772, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

773. Answering Paragraph 773, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

774. Answering Paragraph 774, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

775. Answering Paragraph 775, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

776. Answering Paragraph 776, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

777. Answering Paragraph 753, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

778. Answering Paragraph 778, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

779. Answering Paragraph 779, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

780. Answering Paragraph 780, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

781. Answering Paragraph 781, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

782. Answering Paragraph 782, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

783. Answering Paragraph 783, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

784. Answering Paragraph 784, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

785. Answering Paragraph 785, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.



786. Answering Paragraph 786, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

787. Answering Paragraph 787, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

788. Answering Paragraph 788, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

789. Answering Paragraph 789, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

790. Answering Paragraph 790, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

791. Answering Paragraph 791, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

792. Answering Paragraph 792, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

793. Answering Paragraph 793, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

794. Answering Paragraph 794, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

795. Answering Paragraph 795, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

796. Answering Paragraph 796, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

797. Answering Paragraph 797, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

798. Answering Paragraph 798, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

799. Answering Paragraph 799, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

800. Answering Paragraph 800, Andersen responds that the various media articles, if accurately cited, speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

801. Answering Paragraph 801, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

802. Answering Paragraph 802, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

803. Answering Paragraph 803, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

804. Answering Paragraph 804, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

805. Answering Paragraph 805, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

806. Answering Paragraph 806, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

807. Answering Paragraph 807, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

808. Answering Paragraph 808, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

809. Answering Paragraph 809, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

810. Answering Paragraph 810, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

811. Answering Paragraph 811, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

812. Answering Paragraph 812, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

813. Answering Paragraph 813, Andersen responds that the Private Placement

Memorandum, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

814. Answering Paragraph 814, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

815. Answering Paragraph 815, Andersen denies the averments therein that refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

816. Answering Paragraph 816, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

817. Answering Paragraph 817, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

818. Answering Paragraph 818, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

819. Answering Paragraph 819, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

820. Answering Paragraph 820, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

821. Answering Paragraph 821, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

822. Answering Paragraph 822, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

823. Answering Paragraph 823, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

824. Answering Paragraph 824, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

825. Answering Paragraph 825, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

826. Answering Paragraph 826, Andersen responds that Enron's Form 10-Ks speak for

themselves. Andersen further responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

827. Answering Paragraph 827, Andersen responds that Enron's May 15, 2001 and August 14, 2001 Form 10-Qs speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

828. Answering Paragraph 828, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

829. Answering Paragraph 829, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

830. Answering Paragraph 830, Andersen responds that the Powers Report speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

831. Answering Paragraph 831, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

832. Answering Paragraph 832, Andersen responds that Enron's August 16, 1999 Form 10-Q speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

833. Answering Paragraph 833, Andersen responds that the quotation from Enron's Special Investigative Committee, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

834. Answering Paragraph 834, Andersen responds that Enron's August 14, 2001 Form 10-Q speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

835. Answering Paragraph 835, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

836. Answering Paragraph 836, Andersen responds that Enron's August 16, 1999

Form 10-Q speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

837. Answering Paragraph 837, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

838. Answering Paragraph 838, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

839. Answering Paragraph 839, Andersen responds that Enron's August 14, 2000 Form 10-Q speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

840. Answering Paragraph 840, Andersen responds that Enron's November, 14, 2000 Form 10-Q speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

841. Answering Paragraph 841, Andersen responds that Enron's April 2, 2001 Form 10-K speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

842. Answering Paragraph 842, Andersen responds that Enron's May 15, 2001 and August 14, 2001 Form 10-Qs speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

843. Answering Paragraph 843, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

844. Answering Paragraph 844, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

845. Answering Paragraph 845, Andersen responds that the referenced public filings, if accurately cited, speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

846. Answering Paragraph 846, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

847. Answering Paragraph 847, Andersen responds that the citations from Enron's

Special Investigative Committee, if accurately cited, speak for themselves. Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

848. Answering Paragraph 848, Andersen responds that Enron's May 2, 2000 Proxy Statement and the referenced Mintz memo speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

849. Answering Paragraph 849, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

850. Answering Paragraph 850, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

851. Answering Paragraph 851, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

852. Answering Paragraph 852, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

853. Answering Paragraph 853, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

854. Answering Paragraph 854, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

855. Answering Paragraph 855, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

856. Answering Paragraph 856, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

857. Answering Paragraph 857, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

858. Answering Paragraph 858, Andersen lacks knowledge or information sufficient to

form a belief as to the truth of the averments made in this paragraph.

859. Answering Paragraph 859, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

860. Answering Paragraph 860, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

861. Answering Paragraph 861, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

862. Answering Paragraph 862, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

863. Answering Paragraph 863, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

864. Answering Paragraph 864, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

865. Answering Paragraph 865, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

866. Answering Paragraph 866, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

867. Answering Paragraph 867, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

868. Answering Paragraph 868, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

869. Answering Paragraph 869, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

870. Answering Paragraph 870, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

871. Answering Paragraph 871, Andersen denies the averments therein that refer or

relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

872. Answering Paragraph 872, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

873. Answering Paragraph 873, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

874. Answering Paragraph 874, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

875. Answering Paragraph 875, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

876. Answering Paragraph 876, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

877. Answering Paragraph 877, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

878. Answering Paragraph 878, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

879. Answering Paragraph 879, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

880. Answering Paragraph 880, Andersen responds that the Private Placement Memorandum, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

881. Answering Paragraph 881, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

882. Answering Paragraph 882, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

883. Answering Paragraph 883, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.



884. Answering Paragraph 884, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

885. Answering Paragraph 885, Andersen responds that the supplement to the PPM speaks for itself. Andersen denies the averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

886. Answering Paragraph 886, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

887. Answering Paragraph 887, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

888. Answering Paragraph 888, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

889. Answering Paragraph 889, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

890. Answering Paragraph 890, Andersen denies the averments therein to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

891. Answering Paragraph 891, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

892. Answering Paragraph 892, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

893. Answering Paragraph 893, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

894. Answering Paragraph 894, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

895. Answering Paragraph 895, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

896. Answering Paragraph 896, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

897. Answering Paragraph 897, Andersen admits that it audited Enron's financial statements for the years 1997, 1998, 1999, and 2000, and that such services were provided from Andersen's Houston and Portland offices. Andersen denies the remaining averments made in this paragraph that refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

898. Answering Paragraph 898, Andersen responds that this paragraph states conclusions of law and argument to which no response is required. Andersen further responds that the citation to United States v. Arthur Young & Co., 465 U.S. 805 (1984) speaks for itself. Andersen denies the remaining averments made in this paragraph.

899. Answering Paragraph 899, Andersen responds that the audit reports relating to Enron's annual financial statements for 1997, 1998, 1999, and 2000 speak for themselves. Andersen denies the remaining averments made in this paragraph.

900. Answering Paragraph 900, Andersen responds that the SEC Accounting Series Release No. 296, if accurately cited, speaks for itself.

901. Answering Paragraph 901, Andersen responds that this paragraph states conclusions of law and argument to which no response is required. Andersen responds that the Code of Professional Ethics sections, if accurately cited, speak for themselves. Andersen denies the remaining averments made in this paragraph.

902. Answering Paragraph 902, Andersen responds that this paragraph states conclusions of law and argument to which no response is required.

903. Answering Paragraph 903, Andersen responds that the cited February 23, 2001 report speaks for itself.

904. Answering Paragraph 904, Andersen responds that the issued audit reports for Enron's 1997, 1998, and 1999 financial statements speak for themselves.

905. Answering Paragraph 905, Andersen responds that this paragraph states conclusions of law and argument to which no response is required. Andersen denies the

remaining averments made in this paragraph.

906. Answering Paragraph 906, Andersen denies the averments made in this paragraph.

907. Answering Paragraph 907, Andersen denies the averments made in this paragraph.

908. Answering Paragraph 908, Andersen responds that this paragraph states conclusions of law and argument to which no response is required. Andersen further responds that the referenced Professional Audit Standards speak for themselves.

909. Answering Paragraph 909, Andersen responds that this paragraph states conclusions of law and argument to which no response is required. Andersen denies the remaining averments made in this paragraph.

910. Answering Paragraph 910, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments in this paragraph.

911. Answering Paragraph 911, Andersen responds that this paragraph states conclusions of law and argument to which no response is required. Andersen denies the remaining averments made in this paragraph.

912. Answering Paragraph 912, Andersen denies the averments made in this paragraph.

913. Answering Paragraph 913, Andersen denies the averments made in this paragraph.

914. Answering Paragraph 914, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments in this paragraph.

915. Answering Paragraph 915, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments in this paragraph.

916. Answering Paragraph 916, Andersen denies the averments made in this

paragraph.

917. Answering Paragraph 917, Andersen incorporates its responses to paragraphs 962-966. Andersen admits that there was an SEC investigation into Waste Management that resulted in a consent decree, and otherwise denies the averments made in this paragraph.

918. Answering Paragraph 918, Andersen admits that it was indicted in March 2002, and responds further that such indictment speaks for itself. Andersen denies the remaining averments made in this paragraph.

919. Answering Paragraph 919, Andersen admits that it audited the financial statements of Waste Management, Sunbeam, Baptist Foundation of Arizona, Colonial Realty Company, and Lincoln Savings. Andersen denies the remaining averments made in this paragraph.

919 (a). Answering Paragraph 919(a), Andersen admits that there was an SEC investigation into Waste Management that resulted in a consent decree, and otherwise denies the averments made in this paragraph.

919 (b). Answering Paragraph 919(b), Andersen admits there was an SEC action and civil litigation related to Sunbeam that was settled, and otherwise denies the averments made in this paragraph.

919(c). Answering Paragraph 919(c), Andersen admits there was a litigation related to the Baptists Foundation of Arizona that was settled, and otherwise denies the averments made in this paragraph.

919(d). Answering Paragraph 919(d), Andersen admits there was an investigation into Colonial Realty Company, and otherwise denies the averments made in this paragraph.

919(e). Answering Paragraph 919(e), Andersen admits there was a civil litigation related to Lincoln Savings that was settled, and otherwise denies the averments made in this paragraph.

920. Answering Paragraph 920, Andersen denies the averments made in this paragraph.

921. Answering Paragraph 921, Andersen responds that this paragraphs states conclusions of law to which no response is required. Andersen further responds that the SAS

sections speak for themselves. Andersen denies the remaining averments made in this paragraph.

922. Answering Paragraph 922, Andersen responds that AU § 316.17(a) speaks for itself. Andersen denies the remaining averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

923. Answering Paragraph 923, Andersen responds that AU § 316.17(c) speaks for itself. Andersen denies the remaining averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

924. Answering Paragraph 924, to the extent that this paragraph purports to describe Enron's financial statements or other public filings, those documents speak for themselves. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments in this paragraph.

925. Answering Paragraph 925, Andersen denies the averments made in this paragraph.

926. Answering Paragraph 926, Andersen denies the averments made in this paragraph.

927. Answering Paragraph 927, Andersen denies the averments made in this paragraph.

928. Answering Paragraph 928, Andersen responds that the email referenced speaks for itself. Andersen denies the averments made in this paragraph.

929. Answering Paragraph 929, Andersen responds that the email referenced speaks for itself. Andersen denies the remaining averments made in this paragraph.

930. Answering Paragraph 930, Andersen denies the averments made in this paragraph.

931. Answering Paragraph 931, Andersen denies the averments made in this paragraph.

932. Answering Paragraph 932, Andersen responds that the email referenced speaks for itself. Andersen denies the remaining averments made in this paragraph.

933. Answering Paragraph 933, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

934. Answering Paragraph 934, Andersen responds that, to the extent that this paragraph purports to quote from an unidentified document, such document speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

935. Answering Paragraph 935, Andersen denies the averments made in this paragraph.

936. Answering Paragraph 936, Andersen responds that the New York Times article, if accurately cited, speaks for itself. Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

937. Answering Paragraph 937, Andersen responds that the Associated Press Report, if accurately cited, speaks for itself. Andersen denies the remaining averments made in this paragraph.

938. Answering Paragraph 938, Andersen responds that the referenced email, if accurately cited, speaks for itself. Andersen denies the remaining averments made in this paragraph.

939. Answering Paragraph 939, Andersen responds that the U.S. News and World Report article, if accurately cited, speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

940. Answering Paragraph 940, Andersen denies the averments made in this paragraph.

941. Answering Paragraph 941, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information

sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

942. Answering Paragraph 942, Andersen denies the averments made in this paragraph.

943. Answering Paragraph 943, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen further responds that AU § 334.09 speaks for itself. Andersen denies the remaining averments made in this paragraph.

944. Answering Paragraph 944, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen denies the remaining averments made in this paragraph.

945. Answering Paragraph 945, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

946. Answering Paragraph 946, Andersen incorporates its responses to paragraphs 435-447 herewith. Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

947. Answering Paragraph 947, Andersen denies the averments made in this paragraph.

948. Answering Paragraph 948, Andersen responds that the LJM2 PPM speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

949. Answering Paragraph 949, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

950. Answering Paragraph 950, Andersen denies the averments made in this paragraph.

951. Answering Paragraph 951, Andersen incorporates by reference its response to paragraphs 445-446 and 477-484. Andersen responds that the Bloomberg article, if accurately

cited, speaks for itself. Andersen denies the remaining averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

952. Answering Paragraph 952, Andersen responds that this paragraph states conclusions of law and arguments to which no response is required. Andersen denies the remaining averments in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

953. Answering Paragraph 953, Andersen denies the averments made in this paragraph.

954. Answering Paragraph 954, Andersen responds that this paragraph states conclusions of law and arguments to which no response is required. Andersen denies the remaining averments made in this paragraph.

955. Answering Paragraph 955, Andersen denies the averments made in this paragraph.

956. Answering Paragraph 956, Andersen responds that, to the extent this paragraph purports to characterize Enron's November 8, 2001 Form 8-K filing, the document speaks for itself. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

957. Answering Paragraph 957, Andersen responds that the averments in this paragraph state conclusions of law to which no response is required. Andersen further responds that SAS No. 32 speaks for itself. Andersen denies the remaining averments made in this paragraph.

958. Answering Paragraph 958, Andersen responds that the averments of this paragraph state conclusions of law to which no response is required. Andersen further responds that AU § 334.11 speaks for itself. Andersen denies the remaining averments made in this paragraph.

959. Answering Paragraph 959, Andersen responds that the averments relating to the



adequacy of Enron's disclosures state conclusions of law to which no response is required. Andersen denies the remaining averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

960. Answering Paragraph 960, Andersen responds that the Wall Street Journal article, if accurately cited, speaks for itself.

961. Answering Paragraph 961, Andersen responds that the averments regarding the adequacy of Enron's disclosures state conclusions of law to which no response is required. Andersen responds that the New York Times article, if accurately cited, speaks for itself. Andersen denies the remaining averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

962. Answering Paragraph 962, Andersen admits that a federal grand jury indicted Andersen, which indictment speaks for itself, and otherwise denies the averments made in this paragraph.

963. Answering Paragraph 963, Andersen incorporates its response to Paragraph 919, and otherwise denies the averments made in this paragraph.

964. Answering Paragraph 964, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

965. Answering Paragraph 965, Andersen responds that the New York Times article, if accurately cited, speaks for itself. Andersen denies the remaining averments made in this paragraph.

966. Answering Paragraph 966, Andersen denies the averments made in this paragraph.

967. Answering Paragraph 967, Andersen denies the averments made in this paragraph.

968. Answering Paragraph 968, Andersen responds that this paragraph states

conclusions of law to which no response is required. Andersen responds that the bylaws of AICPA speak for themselves. Andersen denies the remaining averments made in this paragraph.

969. Answering Paragraph 969, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen responds that AU §§ 150, 110 speaks for itself. Andersen denies the remaining averments made in this paragraph.

970. Answering Paragraph 970, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen denies the remaining averments made in this paragraph.

971. Answering Paragraph 971, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

972. Answering Paragraph 972, Andersen responds that the Federal Election Commission Advisory Opinion cited therein, if accurately cited, speaks for itself.

973. Answering Paragraph 973, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

974. Answering Paragraph 974, Andersen responds that its public statements, if accurately cited, speak for themselves. Andersen denies the remaining averments made in this paragraph.

975. Answering Paragraph 975, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

976. Answering Paragraph 976, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

977. Answering Paragraph 977, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

978. Answering Paragraph 978, Andersen denies the averments made in this paragraph.

979. Answering Paragraph 979, Andersen admits that Berardino was the former Chief Executive Officer of Andersen Worldwide and the Chief Executive Officer of Andersen. Andersen denies the remaining averments made in this paragraph.

980. Answering Paragraph 980, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

981. Answering Paragraph 981, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

982. Answering Paragraph 982, Andersen denies the averments made in this paragraph.

983. Answering Paragraph 983, Andersen responds that the averments of this paragraph state conclusions of law and argument to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

984. Answering Paragraph 984, Andersen responds that the averments of this paragraph state conclusions of law and argument to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

985. Answering Paragraph 985, Andersen responds that the averments of this paragraph state conclusions of law and argument to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

986. Answering Paragraph 986, Andersen responds that the averments of this paragraph state conclusions of law and argument to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining

averments made in this paragraph.

987. Answering Paragraph 987, Andersen responds that the averments of this paragraph state conclusions of law and argument to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

988. Answering Paragraph 988, Andersen responds that the averments of this paragraph state conclusions of law and argument to which no response is required. Andersen denies the remaining averments made in this paragraph.

989. Answering Paragraph 989, Andersen responds that the averments of this paragraph state conclusions of law and argument to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

990. Answering Paragraph 990, Andersen responds that the averments of this paragraph state conclusions of law and argument to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

991. Answering Paragraph 991, Andersen responds that the averments of this paragraph state conclusions of law and argument to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

992. Answering Paragraph 992, Andersen reincorporates its previous responses to paragraphs 1 through 991 as if set forth fully herein.

993. Answering Paragraph 993, Andersen responds that the averments of this paragraph state conclusions of law to which no response is required.

994. Answering Paragraph 994, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen (as named as “Andersen parties” in paragraph 993(b) of the Complaint). Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

995. Answering Paragraph 995, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen (as named as “Andersen parties” in paragraph 993(b) of the Complaint). Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

996. Answering Paragraph 996, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen (as named as “Andersen parties” in paragraph 993(b) of the Complaint). Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

997. Answering Paragraph 997, Andersen denies the averments made in this paragraph.

998. Answering Paragraph 998, Andersen reincorporates its previous responses to paragraphs 1 through 997 as if set forth fully herein.

999. Answering Paragraph 999, Andersen responds that the Complaint speaks for itself.

1000. Answering Paragraph 1000, Andersen responds that the averments of this paragraph state conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1001. Answering Paragraph 1001, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

1002. Answering Paragraph 1002, Andersen responds that the averments of this paragraph state conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1003. Answering Paragraph 1003, Andersen denies the averments in this paragraph.

1004. Answering Paragraph 1004, Andersen responds that the averments of this paragraph state conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this

paragraph.

1005. Answering Paragraph 1005, Andersen reincorporates its previous responses to the paragraphs listed as if set forth fully herein. As to the averments of the second sentence, Andersen responds that the Complaint speaks for itself.

1006. Answering Paragraph 1006, Andersen responds that the Complaint speaks for itself.

1007. Answering Paragraph 1007, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments.

1008. Answering Paragraph 1008, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

1009. Answering Paragraph 1009, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1010. Answering Paragraph 1010, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1011. Answering Paragraph 1011, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1012. Answering Paragraph 1012, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments.

1013. Answering Paragraph 1013, Andersen responds that this paragraph states conclusions of law to which no response is required. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1014. Answering Paragraph 1014, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or

information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1015. Answering Paragraph 1015, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

1016. Answering Paragraph 1016, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

1017. Answering Paragraph 1017, Andersen reincorporates its previous responses to paragraphs 1 through 1016 as if set forth fully herein.

1018. Answering Paragraph 1018, Andersen responds that the Complaint speaks for itself.

1019. Answering Paragraph 1019, Andersen responds that the Complaint speaks for itself.

1020. Answering Paragraph 1020, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1021. Answering Paragraph 1021, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1022. Answering Paragraph 1022, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1023. Answering Paragraph 1023, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

1024. Answering Paragraph 1024, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or

information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1025. Answering Paragraph 1025, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

1026. Answering Paragraph 1026, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1027. Answering Paragraph 1027, Andersen denies the averments made in this paragraph to the extent they refer or relate to Andersen. Andersen lacks knowledge or information sufficient to form a belief as to the truth of the remaining averments made in this paragraph.

1028. Answering Paragraph 1028, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

1029. Answering Paragraph 1029, Andersen responds that the Complaint speaks for itself.

1030. Answering Paragraph 1030, Andersen lacks knowledge or information sufficient to form a belief as to the truth of the averments made in this paragraph.

### **AFFIRMATIVE DEFENSES**

As separate and distinct affirmative defenses to the causes of action asserted in the Complaint, Andersen alleges as follows:

#### **FIRST SEPARATE AND AFFIRMATIVE DEFENSE**

##### **(Failure to State a Claim)**

1. The causes of action alleged in the Complaint fail to state facts sufficient to constitute a valid cause of action against Andersen. Among other things, the Complaint fails to plead fraud with particularity as required by Rule 9(b) of the Federal Rules of Civil Procedure and the Private Securities Litigation Reform Act ("PSLRA"), and fails to raise a strong inference of scienter as required by the PSLRA.



## **SECOND SEPARATE AND AFFIRMATIVE DEFENSE**

(Lack of Particularity)

2. The lack of particularity in the Complaint makes it impossible for Andersen to determine at this time which additional defenses it may have, and Andersen reserves the right to assert all applicable defenses once the precise nature of the relevant circumstances or events is determined through discovery.

## **THIRD SEPARATE AND AFFIRMATIVE DEFENSE**

(Proportional Allocation of Fault)

3. Any damage, loss or liability sustained by Plaintiffs must be reduced, diminished, and/or eliminated in proportion to the wrongful or negligent conduct of entities or individuals other than Andersen under the principles of equitable allocation, recoupment, set-off, proportionate responsibility, and comparative fault including under the proportionate liability provisions of Section 21(D)(f)(2)(B) and 21D(f)(3) of the Securities Exchange Act of 1934 and/or Chapter 33 or the Texas Civil Practice and Remedies Code.

## **FOURTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Contribution and Indemnification)

4. Under the principles of contribution and indemnity, persons or entities other than Andersen are wholly or partially responsible for the purported damages, if any, Plaintiffs may have sustained.

## **FIFTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Intervening or Superseding Acts of Third Parties or other Defendants)

5. Plaintiffs' damages, if any, resulted from the acts or omissions of third parties or other Defendants over whom Andersen had no control. The acts of such third parties or Defendants constitute intervening or superseding causes of the harm, if any, suffered by Plaintiffs.

## **SIXTH SEPARATE AND AFFIRMATIVE DEFENSE**

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(Class Action)

6. Plaintiffs' claims against Andersen are barred because this action cannot be maintained as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure.

**SEVENTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Statute of Limitations)

7. Plaintiffs' claims against Andersen are barred, in whole or in part, by the applicable statutes of limitations.

**EIGHTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Waiver)

8. Plaintiffs, by acts, omissions and/or conduct, have waived, in whole or in part, their right to obtain the relief sought in the Complaint.

**NINTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Unclean Hands)

9. Plaintiffs' claims against Andersen are barred, in whole or in part, by the doctrine of unclean hands.

**TENTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Estoppel)

10. Plaintiffs, by acts, omissions, and/or conduct, are estopped, in whole or in part from obtaining the relief sought in the Complaint.

**ELEVENTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Adequate Remedy at Law)

11. Plaintiffs' claims for injunctive relief are barred because Plaintiffs have an adequate remedy at law.

**TWELFTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Laches)

12. Plaintiffs' claims against Andersen are barred, in whole or in part, by the

doctrine of laches.

**THIRTEENTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Prior Knowledge)

13. At the time Plaintiffs acquired shares of Enron stock, Plaintiffs had actual or constructive knowledge of the alleged omissions or misstatements, and therefore Andersen is not subject to liability.

**FOURTEENTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Failure to Mitigate Damages)

14. Plaintiffs have failed to fulfill their duty to mitigate, reduce, or otherwise avoid the alleged damages, and Plaintiffs are therefore barred from recovering such damages, if any.

**FIFTEENTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Assumption of the Risk)

15. Plaintiffs knew that the purchase of Enron's securities involved risk and voluntarily assumed such risk.

**SIXTEENTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Lack of Standing)

16. Plaintiffs lack standing to bring the causes of action asserted in the Complaint.

**SEVENTEENTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Publicly Available Information)

17. Plaintiffs' claims against Andersen are barred on the ground that the matters alleged to be the subject of misrepresentations and/or omissions were publicly disclosed and/or were in the public domain, and, as such, were available to Plaintiffs and/or the securities market.

**EIGHTEENTH SEPARATE AND AFFIRMATIVE DEFENSE**

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(Lack of Justifiable Reliance)

18. Plaintiffs' claims against Andersen are barred, in whole or in part, due to Plaintiffs' lack of justifiable reliance in that Plaintiffs did not purchase or sell any securities in reasonable or justifiable reliance on any representation, act, or omission by Andersen.

**NINETEENTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Lack of Causation)

19. Plaintiffs' claims against Andersen are barred because Andersen did not directly or proximately cause or contribute to any damage, loss or injury sustained by Plaintiffs.

**TWENTIETH SEPARATE AND AFFIRMATIVE DEFENSE**

(No Aiding and Abetting Liability)

20. Plaintiffs' claims against Andersen are barred by *Central Bank of Denver v. First Interstate Bank of Denver*, 511 U.S. 164 (1994).

**TWENTY-FIRST SEPARATE AND AFFIRMATIVE DEFENSE**

(Failure to Use Due Care)

21. Plaintiffs failed to use due care in determining whether to invest in Enron and thus Andersen is not subject to liability.

**TWENTY-SECOND SEPARATE AND AFFIRMATIVE DEFENSE**

(Lack of Control)

22. Andersen may not be held liable under Section 15 of the Securities Act of 1933 and Section 20 of the Securities and Exchange Act of 1934 since Andersen did not have the lawful authority to control or influence Enron, its board of directors, managers or other employees or agents.

**TWENTY-THIRD SEPARATE AND AFFIRMATIVE DEFENSE**

(Reasonable Investigation)

23. With respect to any registration statement or prospectus of Enron purportedly made upon Andersen's authority as an expert or purporting to be a copy of or an

extract from a report of Andersen, Andersen had, after reasonable investigation, reasonable grounds to believe at the time that such part of such documents became effective, that the statements therein were true and there was no omission of a material fact required therein or necessary to make the statements therein not misleading.

#### **TWENTY-FOURTH SEPARATE AND AFFIRMATIVE DEFENSE**

(No Intent to Defraud)

24. If any alleged representation of Andersen contained any untrue statement of material fact, or omitted to state a material fact, which Andersen denies, Andersen did not know, and in exercise of reasonable care could not have known, of such untruth or omission, and did not act with intent to defraud the Plaintiffs, or anyone, with respect thereto.

#### **TWENTY-FIFTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Failure to Join Necessary Parties)

25. Andersen affirmatively alleges that Plaintiffs have failed to join necessary and indispensable parties.

#### **TWENTY-SIXTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Fraud of Others)

26. If the averments of the Complaint are true, which Andersen denies, Andersen was the victim of fraud, deceit, misrepresentations, concealment, negligence and/or breach of contract practiced upon it by others, including Enron, in that information relating to Enron and related entities was not provided to Andersen and/or was knowingly concealed from Andersen while Andersen was rendering its professional services.

#### **TWENTY-SEVENTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Reliance on Experts)

27. In rendering its auditing and accounting services to Enron and its subsidiaries, Andersen was entitled to and did reasonably rely on the work, conclusions and advice provided by agents of Enron and other professionals.

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**TWENTY-EIGHTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Reliance on Regulatory Authorities)

28. Plaintiffs' claims against Andersen are barred because the acts alleged were ratified or approved by the Securities and Exchange Commission and/or other state and federal regulatory agencies or entities.

**TWENTY-NINTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Offset of Damages)

29. Any recovery for damages allegedly incurred by Plaintiffs, if any, is subject to offset in the amount of any tax benefit actually received by Plaintiffs through their investments.

**THIRTIETH SEPARATE AND AFFIRMATIVE DEFENSE**

(Lack of Impact on Market Price)

30. Plaintiffs' claims against Andersen are barred, in whole or in part, because the purported misstatements or omissions alleged in the Complaint that are attributed to Andersen did not affect the market price of Enron securities.

**THIRTY-FIRST SEPARATE AND AFFIRMATIVE DEFENSE**

(Single Award of Damages)

31. Plaintiffs can obtain only one award of damages under either the federal securities laws or pendant state claims.

**THIRTY-SECOND SEPARATE AND AFFIRMATIVE DEFENSE**

(Materiality)

32. Andersen is not liable to Plaintiffs because any alleged misrepresentations or omissions for which Andersen is allegedly responsible were not material.

**THIRTY-THIRD SEPARATE AND AFFIRMATIVE DEFENSE**

(Attorneys' Fees Not Recoverable)

33. Plaintiffs are precluded from recovering attorneys' fees from Andersen

under applicable provisions of law.

**THIRTY-FOURTH SEPARATE AND AFFIRMATIVE DEFENSE**

(State Law Claims)

34. Plaintiffs' state law claims against Andersen are barred under the Securities Litigation Uniform Standards Act.

**THIRTY-FIFTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Claims Non Actionable under PSLRA)

35. The claims alleged in the Complaint are non-actionable to the extent that the alleged untrue statements of material fact, omissions of material fact, misleading statements, and/or other challenged statements made by Defendants fall within the Safe Harbor provisions of the Private Securities Litigation Reform Act.

**THIRTY-SIXTH SEPARATE AND AFFIRMATIVE DEFENSE**

(Additional Defenses)

36. Andersen hereby adopts and incorporates by reference any and all other defenses asserted, or that may hereafter be asserted, by any other defendant to the extent such defense may be applicable to Andersen.

**WHEREFORE**, Andersen seeks judgment:

- A. dismissing with prejudice all claims asserted against Andersen
- B. awarding the costs of defending this action, including reasonable attorneys' fees, costs and disbursements;
- C. granting such other and further relief as this Court may deem just and proper.

**ANDERSEN REQUESTS A TRIAL BY JURY**

Dated: January 10, 2003

Respectfully submitted,

By: Rusty Hardin by Beth Julatus  
Rusty Hardin  
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S.D. Tex. I.D. No. 19424  
w/ permission

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**CERTIFICATE OF SERVICE**

I certify that on this 10<sup>TH</sup> day of January, 2003, a true and correct copy of the foregoing pleading was served on all counsel pursuant to the Court's service orders.

Rusty Hardin /BJ  
Rusty Hardin